Calendar No. 187

99TH CONGRESS
1st Session

SENATE

REPORT
99-85

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION AUTHORIZATION

JUNE 14, 1985.—Ordered to be printed

Filed under authority of the order of the Senate of June 13 (legislative day, June 3), 1985

Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 1079]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1079) to provide authorization of appropriations for activities of the National Telecommunications and Information Administration, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF BILL

The bill, S. 1079, as reported, authorizes appropriations of $13,686,000 for fiscal year 1986 and $14,345,000 for fiscal year 1987 for the National Telecommunications and Information Administration (NTIA), the executive agency responsible for the development and presentation of domestic and international communications and information policy. In each of these fiscal years, $500,000 shall be targeted for the international telecommunications division. These amounts shall be in addition to the funds already allocated to this division. The legislation also provides that the authorized amounts shall be increased to provide for increases resulting from adjustments in salary, pay, retirement, and other employee benefits required by law and for other non-discretionary costs.

51-010 O

Sa63-24

Background and Needs

NTIA was established in 1978 through the consolidation of the Office of Telecommunications Policy (OTP) in the Executive Office of the President and the Department of Commerce's Office of Telecommunications. NTIA also was given responsibility for administering the Public Telecommunications Facilities Program (PTFP).

NTIA's responsibilities include:

1. Serving as the principal Executive branch adviser to the President on domestic and international telecommunications policy;
2. Developing and presenting Executive branch policy on telecommunications and information services;
3. Prescribing policies for and managing the Federal Government's use of the radio frequency spectrum in accordance with section 305 of the Communications Act of 1934 (47 U.S.C. 305);
4. Developing, in conjunction with Congress, the Federal Communications Commission (FCC), the Department of State, and other agencies, international telecommunications plans and policies and coordinating U.S. Government positions in and for international telecommunications meetings and conferences;
5. Serving as a Federal telecommunications research and study center, and providing technical support to other agencies primarily through the Institute for Telecommunications Sciences;
6. Administering the Public Telecommunications Facilities Program; and
7. Advising the Office of Management and Budget and other Federal agencies on policies governing the use and acquisition of telecommunications systems, services and products.

In carrying out these responsibilities, NTIA testifies before Congress, participates in FCC proceedings, and publishes technical, economic, and policy reports on topics such as domestic and international communications, telephone rates and pricing policies, and transborder data flow.

NTIA's budget was reduced from approximately $16,500,000 in 1982 to $12,420,000 in 1983, and was $12,890,000 in 1984 and $13,700,000 in 1985. Congress reduced NTIA's funding based on the assumption that deregulation of many telecommunications services would reduce NTIA's workload.

International Policy Office

While deregulation has reduced NTIA's work in some areas, its role in other areas remains unchanged. In addition, in areas such as international telecommunications policy, NTIA's duties have increased and will continue to do so. This is due to the tremendous increase in international conferences and meetings on subjects such as the provision of international telecommunications services and trade in telecommunications equipment.

NTIA will continue to play a key role in preparations for and participation in major international conferences involving radio frequencies and the geostationary satellite orbit, which impact on vital U.S. interests. By law, NTIA must provide a Vice Chairman

for all radio administrative conferences. Additionally, as in the past, NTIA personnel should continue to occupy other leadership positions at such conferences, while also providing ongoing expert technical assistance and support. It is important that NTIA be capable of performing its statutory responsibilities associated with the following major conferences sponsored by the International Telecommunication Union during the balance of this decade.

1. 1985 Space World Administrative Radio Conference (1st Session);
2. 1986 AM Radio Broadcasting Conference for the Americas (1st Session);
3. 1987 High Frequency Broadcasting Conference (2nd Session);
4. 1987 Mobile Services World Administrative Radio Conference;
5. 1988 Space World Administrative Radio Conference (2nd Session);
6. 1988 World Administrative Telegraph and Telephone Conference;
7. 1988 CCITT Plenary Assembly;
8. 1989 ITU Plenipotentiary Conference;
9. CCIR Plenary Assembly;
10. Annual Meeting ITU Administrative Council; and
11. Regularly scheduled CCITT, CCIR Study Group meetings.

NTIA must adequately prepare for the second session of the High Frequency (short wave) Broadcasting Conference, by carrying out the extensive intersessional work program initiated by the first session of the High Frequency Conference in 1984. Achievement of satisfactory results at the second session is essential to preserving effective use of short wave broadcasting as an instrument of foreign policy. Similarly, vital U.S. interests are at stake at the 1985 and 1988 space conferences.

The Committee commends the Departments of State and Commerce for resolving the conflicts arising out of Executive Order 12046. This order, which assigns overlapping responsibility to State and Commerce, led to jurisdictional uncertainties between the two departments that prevented them from dealing with important international telecommunications issues expeditiously.

In an effort to improve the coordination process, State and Commerce agreed, in October 1985, to a 6-month trial of certain adjustments to the operations of the Senior Interagency Group on Communications and Information Policy (SIG). (See Appendix A) These new arrangements have furthered the interests of the United States by increasing the efficiency and effectiveness of SIG operations. They should continue.

In 1982, NTIA's international division was funded at approximately $1 million. From 1983 to 1985, NTIA was able to continue this funding level by using carryover funds. With the Administration's requested funding level of $13,186,000, the international division is only funded at $692,000. This level of funding would seriously diminish the effectiveness of the Office of International Affairs.

The Committee has increased the administration's request by $500,000 for both fiscal years 1986 and 1987. These funds will be targeted for NTIA's international program. The funds, which are to

be added to the $692,000 already designated for international activities, will allow the international division to continue existing activities and to increase activity where necessary.

The Committee continues to believe that NTIA must take a lead role in developing and supporting the U.S. telecommunications industry in both domestic and international markets. The Federal Government is in the midst of establishing a trade policy that will promote and benefit the U.S. telecommunications industry.

The divestiture of AT&T has shaken up the domestic telecommunications market. As a result of divestiture, the U.S. market is now open to foreign firms, many of which are supported directly or indirectly by their governments. In many key foreign markets, however, substantial barriers to U.S. entry have been erected. The Congress is actively pursuing ways to develop an open world telecommunications market. NTIA makes a valuable and unique contribution to this goal by assisting the International Trade Administration and the U.S. Trade Representative with technical expertise in both domestic and foreign services and markets.

DOMESTIC TELECOMMUNICATIONS

In February 1985, NTIA began a comprehensive study of the structure and regulation of the U.S. domestic telecommunications industry. The goal of this study is to develop recommendations on policies that will enhance the rapidly developing technology and changing market structure of this industry. This study is an update of NTIA's 1979 analysis of domestic policy and regulation. The AT&T divestiture has dramatically affected competition in both equipment and service markets. NTIA will address this new environment's impact on areas such as universal telephone service, pricing policies, and the interaction of State and Federal Governments.

Also in the domestic area, NTIA recently has completed a review of phone rates in all 50 States and the District of Columbia. The study revealed that State regulatory authorities are approving some increases that equal about half of the increase requested by telephone companies. The study found that where rate cases have been decided, residential rate increases have been relatively modest, and that urban customers are paying more for their service than rural customers. In urban areas, the median price rose from $12.50 to $13.80 per month, with urban budget service increasing from $6.20 to $7.05 per month. In rural areas, the median price went from $8.14 to $10.15 per month, with rural budget service increasing from $5.10 to $6.00 per month.

The Committee is concerned about the continued availability of universal telephone service at affordable rates, and will monitor with great interest changes in telephone rates. The Committee encourages NTIA to update its study as necessary, and to track the availability of and need for "lifeline" services for the poor and disadvantaged customers.

The Committee remains committed to the PTFP which is administered by NTIA. As part of the public broadcasting authorization bill (S. 1084), the Committee has authorized $24 million for this program for fiscal years 1986–88. This level of funding will enable

public broadcasting to continue to reach out to unserved areas of the United States, and will assist existing public stations in replacing and improving equipment in order to maintain a high quality service.

LEGISLATIVE HISTORY

The Committee held hearings on authorization of appropriations for NTIA on May 1, 1985. S. 1079 was introduced by Senator Goldwater, together with Senator Hollings, on May 6, 1985. On May 9, 1985, the Committee ordered the bill to be reported favorably, without amendment.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 14, 1985.

Hon. JOHN C. DANFORTH,
Chairman, Committee on Commerce, Science, and Transportation, United States Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 1079, to provide authorization of appropriations for activities of the National Telecommunications and Information Administration.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1079.

2. Bill title: To provide authorization of appropriations for activities of the National Telecommunications and Information Administration.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, May 9, 1985.

4. Bill purpose: S. 1079 authorizes the appropriation of $13.7 million in fiscal year 1986 and $14.3 million in fiscal year 1987 to carry out the programs of the National Telecommunications and Information Administration [NTIA]. In addition, the bill authorizes in each of the fiscal years such sums as may be necessary for increases in salary, pay, retirement, and other benefits required by law, and other nondiscretionary costs.

Fiscal year 1985 appropriations to date for NTIA are $13.7 million. The President, is request $13.2 million for the NTIA in 1986.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990
Authorization level:					
Specified (Function 370)	13.7	14.3			
Estimated (Function 920)	.3	.4			
Total authorization level	14.0	14.7			
Estimated outlays	9.9	13.0	4.4	1.4	

Including outlays from prior years' budget authority, total outlays for NTIA in 1986 would be approximately $13.7 million.

The costs of this bill fall within budget function 370.

Basis of estimate: For purposes of this estimate, it was assumed that the amount authorized in the bill would be appropriated prior to the beginning of each fiscal year. Pay and other benefit increases of approximately $0.2 million in 1986 and $0.3 million in 1987 were estimated based on CBO's baseline projections for the Senate Budget Committee.

6. Estimated costs to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Mary Maginniss.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

The bill authorizes the appropriation of funds for activities of NTIA, and should result in no additional regulation of individuals or businesses. Consequently, there should be no additional economic impact from enactment of the legislation, and no impact on personal privacy of individuals. No additional paperwork requirements are imposed as a result of the bill.

Section-by-Section Analysis

The bill contains one section, which authorizes appropriations of $13,686,000 for fiscal year 1986 and $14,345,000 for fiscal year 1987, for activities of NTIA. Of these amounts, $500,000 in each such fiscal year shall be available for international activities of NTIA.

In addition, the bill provides such sums as may be necessary in fiscal years 1986 and 1987 for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

APPENDIX A

MEMORANDUM

U.S. DEPARTMENT OF STATE,
UNDER SECRETARY OF STATE FOR
SECURITY ASSISTANCE, SCIENCE AND TECHNOLOGY,
Washington, DC, November 6, 1984.

For: Members of the SIG.
Subject: State/Commerce Agreement on Responsibilities for International Communication and Information Policy.

Secretaries Baldrige and Shultz attach high importance to the timely formulation of effective international communications and information policy.

As part of our continuing effort to improve the overall coordination process, it has been agreed to make certain adjustments to the operations of the Senior Interagency Group on Communication and Information Policy [SIG].

The new arrangements, together with an exchange of letters between Secretary Baldrige and Secretary Shultz, are enclosed.

We are confident that the new arrangements will enhance the Government's policy development and coordination process and look forward to your continuing support of these important activities.

DAVID MARKEY,
Assistant Secretary of Commerce
for Communications and Information.

WILLIAM SCHNEIDER, Jr.,
Under Secretary of State
for Security Assistance,
Science and Technology.

Enclosures: As stated.

THE SECRETARY OF STATE,
Washington, DC, November 5, 1984.

Hon. MALCOLM BALDRIGE,
Secretary of Commerce,
Washington, DC.

DEAR MAC: I welcome the work of Bill Schneider and Dave Markey in setting forth the responsibilities of our two Departments in international communication and information policy. A review after a six month trial should help to establish an effective cooperative arrangement to deal with issues of significant importance to

the economy of this country and to our international interests and relations with other countries.

Sincerely yours,

GEORGE P. SHULTZ.

THE SECRETARY OF COMMERCE,
Washington, DC, October 29, 1984.

Hon. GEORGE P. SHULTZ,
Secretary of State,
Washington, DC.

DEAR GEORGE: The agreement which Bill Schneider and Dave Markey were able to work out regarding our respective responsibilities in the international communications field is enclosed. It may be necessary to give further attention to the issue of international radio conference preparation. This, however, looks like a good agreement and one which will prove in the public's interest.

I agree the new arrangements governing the activities of the Senior Interagency Group on International Telecommunications and Information Policy should be given a six month trial. If changes are needed following that trial, we would be pleased to consider them.

Sincerely,

MAC, *Secretary of Commerce.*

Enclosure.

STATE/COMMERCE AGREEMENT ON RESPONSIBILITIES FOR INTERNATIONAL COMMUNICATION AND INFORMATION POLICY

NATIONAL SECURITY COUNCIL, SENIOR INTERAGENCY GROUP, AND INTERNATIONAL COMMUNICATION AND INFORMATION POLICY

Structure

Co-Chair: Department of State—Under Secretary (T), Department of Commerce—Assistant Secretary (NTIA).

Vice Chair: USIA.

Members: AID, CIA, DOD, Justice, NASA, NSA, NSC, OMB, OPD, OSTP, USTR; as appropriate FCC, BIB.

Executive Secretary Coordinator, Department of State.

Steering Group: Co-Chairs, Vice-Chair—Executive Secretary, TCIP.

Standing and ad hoc working groups as appropriate.

Operations

SIG meets quarterly or at request of one member. Meetings are alternately chaired by the Assistant Secretary of Commerce or Under Secretary of State. Agenda and supporting material are sent to members one week in advance by the Executive Secretary and approved by Co-Chairs or designees.

Steering Group meets monthly and at the request of one member. Meetings are chaired by the Under Secretary of State or the Assistant Secretary of Commerce in his absence. Summary minutes will be prepared and distributed at the direction of the Co-Chairs.

Standing and ad hoc groups: Intellectural Property Protection, chaired by Commerce; Transborder Data Flows, chaired by State; and Development and Communications, chaired by AID.

All SIG member agencies may have membership on any standing or working group;

Chair of any working group, unless otherwise agreed by State and Commerce, is a representative of the most appropriate agency; scope of work is endorsed by the Steering Group and/or the SIG.

Responsibilities

The primary responsibilities of the two Departments are as follows, with the understanding that responsibilities can and do overlap.

State:

Coordination and support on foreign relations and foreign policy issues for government-to-government relations;

Relations with foreign ministries and intergovernmental organization;

U.S. delegations to intergovernmental meetings: final preparation, appointments, instructions, coordinating support during conference, submitting treaties and agreements for Congress;

Substantive preparation for foreign policy aspects of instructions for U.S. delegates to intergovernmental meetings;

Coordination of national security factors into the policy formulation process, involving e.g., NSC, DOD, CIA; LDC issues involving AID, USIA; media issues involving USIA; and

Interpretation of treaties and international agreements.

Commerce (NTIA):

Substantive preparation for the radio conferences on behalf of the Executive branch including technical and telecommunications policy aspects of instructions for U.S. Delegates to such conferences;

Consultations with foreign counterparts on domestic and international telecommunication and information regulatory and legislative issues;

Presentation of coordinated Executive branch views to the FCC on telecommunication issues;

Presentation of coordinated Executive branch views on facility planning and applications of emerging telecommunication technologies; and

International cooperation concerning telecommunications, related policy and trade matters.

It is agreed that the SIG is a group formed to coordinate the consideration of communications and information policy issues and that no action of the SIG binds the State Department or the Commerce Department (or other agency) to any particular point of view or course of conduct. Each Department retains the powers and responsibilities conferred by law or executive order and may draw upon SIG conclusions and recommendations consistent with such responsibilities.

○

BEST COPY AVAILABLE

Calendar No. 188

99TH CONGRESS
1st Session

REPORT
99-86

LAND REMOTE-SENSING COMMERCIALIZATION ACT OF 1984 AUTHORIZATION

JUNE 14, 1985.—Ordered to be printed

Filed under authority of the order of the Senate of June 13 (legislative day, June 3), 1985

Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 1279]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S.1279) to provide authorization of approprations for activities under the Land Remote-Sensing Commercialization Act of 1984, having considered the same, reports favorably thereon with an amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The objective of the legislation is to amend the Land Remote-Sensing Commercialization Act of 1984 to provide full authorization for the transfer of the Federal Government's civil land remote sensing satellite (Landsat) system. The bill authorizes appropriations of $295 million for fiscal years 1985 through 1989.

BACKGROUND AND NEEDS

The Landsat system has been operated by the Federal Government since 1972, most recently by the National Environmental Satellite, Data, and Information Service of the National Oceanic and Atmospheric Administration. Landsat orbits the Earth and generates data which are useful for agriculture, hydrology, cartography, and nonrenewable resource exploration.

On March 8, 1983, the President announced his intent to commercialize the Landsat system. The Congress responded by passing the Land Remote-Sensing Commercialization Act of 1984, which

51-010 O

5263-25

was signed into law (Public Law 98-365) on July 17, 1984. Titles II and III of the act directed the Department of Commerce, to solicit and evaluate bids for the operation of the current Landsat system and for the development and operation of a follow-on system. Section 609 of the act authorized $75 million for Landsat transitional support for fiscal year 1985 but did not establish any limit on the overall level of Federal support.

Pursuant to the act, the Department of Commerce evaluated seven bids. Concurrently, the Office of Management and Budget became involved in the Landsat commercialization process by establishing a $250 limit on Federal transitional support. The Department of Commerce subsequently decided to contract with Earth Observation Satellite, Incorporated (EOSAT) for the activities mandated in titles II and III of the act.

Although contractual negotiations between the Department of Commerce and EOSAT have not been completed, it has been agreed that EOSAT will construct two satellites and a new ground station at a cost to the Federal Government of $250 million, and that the Federal Government will provide $45 million to cover the cost of two launches on the space shuttle. The total cost to the Federal Government will be $295 million, which represents a significant savings in comparison to the cost of Federal operation of Landsat.

On May 22, 1985, the President sent to the Congress a funding request for a $75 million fiscal year 1985 supplemental appropriation and a $50 million fiscal year 1986 appropriation to support funding of the EOSAT contract. The Committee endorses the President's funding request and the overall funding requirements of the contract. The Committee, therefore, amends the Land Remote-Sensing Commercialization Act of 1984 to provide full authorization for Landsat commercialization while limiting the level of activity in fiscal years 1985 and 1986 to conform with the President's funding request.

Legislative History

Senator Gorton introduced the Land Remote-Sensing Commercialization Act of 1984 on February 9, 1985. The Subcommittee on Science, Technology, and Space held a hearing on Landsat commercialization legislation on March 22, 1984. The act was ordered reported (S. Rept. 98-458) by unanimous vote of the Committee on May 8, 1984. The act passed the Senate unanimously and was signed into law (Public Law 98-365) on July 17, 1984.

On May 22, 1985, the President submitted to the Congress a funding request to carry out the provisions of titles II and III of the act.

Senator Gorton introduced S. 1279 on June 12, 1985. The bill was ordered reported with an amendment unanimously by the Committee on June 13, 1985. The Committee concurrently reported a waiver of section 402(a) of the Budget Act of 1974, which was necessary because the bill pertains to fiscal year 1985 funding and was not reported prior to May 15, 1984.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 14, 1985.

Hon. JOHN C. DANFORTH,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 1279, a bill to provide authorization of appropriations for activities under the Land Remote-Sensing Commercialization Act of 1984.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, JUNE 14, 1985

1. Bill number: S. 1279.

2. Bill title: A bill to provide authorization of appropriations for activities under the Land Remote-Sensing Commercialization Act of 1984.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, June 13, 1985.

4. Bill purpose: S. 1279 would increase the amount authorized for appropriation under the Landsat Remote-Sensing Commercialization Act from $75 million to $295 million. The additional $220 million would be authorized through fiscal year 1989, but only an additional $50 million could be appropriated though fiscal year 1986.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1985	1986	1987	1988	1989
Additional authorization level	50	.....	57	57	56
Estimated outlays	.....	50	57	57	56

The costs of this bill fall within budget function 300.

Basis of Estimate: For purposes of this estimate, it is assumed that S. 1279 will be enacted during fiscal year 1985 and that the additional sums authorized for 1985 and 1986, as well as the $75 million already authorized, will be appropriated in 1985. The remaining funds are assumed to be appropriated evenly over the 1987–1989 period. Outlays have been estimated on the basis of information obtained from the National Oceanographic and Atmospheric Administration.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Deb Reis.
10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation:

S. 1279 amends the Land Remote-Sensing Commercialization Act of 1984 to provide full authorization for the implementation of the requirements of titles II and III of the act. The bill has no effect on the number of individuals or businesses subject to Federal regulation, personal privacy, or Federal paperwork.

Since S. 1279 merely provides the authorization of appropriations pursuant to which a contractor will be retained to operate the land remote-sensing system for the Federal Government, the Committee does not anticipate that the enactment of the bill will impose any additional regulatory burdens.

Section-by-Section Analysis

The bill amends section 609 of the Land Remote-Sensing Commercialization Act of 1984 to authorize $295 million for the fiscal years 1985 through 1989 for the implementation of the provisions of titles II and III of the act, provided that no more than $125 million will be available in fiscal years 1985 and 1986.

The Committee notes that section 609 of the 1984 Act states that the funds authorized will not be made available until the time periods specified in sections 202(c) and 303(c) of the 1984 act have expired. Pursuant to sections 202(c) and 303(c), the Committee expects the Secretary of Commerce to inform the authorizing Congressional committees of the Secretary's intent to enter into a contract pursuant to titles II and III of the act. The Committee understands that the Secretary is currently in the process of preparing this notification. The Committee notes further that the Secretary is required to include as part of such notification information on the terms of the contract pertaining to the requirements of section 202(a) of the 1984 act.

The funds authorized by S. 1279 are intended to fund the construction and launch of two land remote-sensing satellites. The Committee has been informed that the construction of two satellites and a new ground station will cost the Federal Government $250 million and the two launches will cost an additional $45 million, and the Committee expects to be informed of any changes in these cost estimates.

The Committee wishes to accommodate the President's budget request of May 22, 1985. The requirement in S. 1279 that no more than $125 million will be available in fiscal years 1985 and 1986 is intended to provide flexibility on the funding levels appropriated in each year while ensuring that the sum requested by the President for the 2-year period is not exceeded.

BEST COPY AVAILABLE

The Committee understands that both satellites are to be launched by the National Aeronautics and Space Administration (NASA) on the space shuttle and the Committee supports this decision. The Committee also understands that the administration's funding request for fiscal year 1985 includes a $35 million prepayment to NASA for launch costs. The Committee supports this decision and expects to be advised as to when the final $10 million payment will be made. The Committee wishes to be informed immediately if either of these assumptions is changed.

The Committee does not intend for the authorization provided by S. 1279 to pertain to the provisions of titles IV, V, or VI of the Land Remote-Sensing Commercialization Act of 1984. The Committee does intend, however, to exercise vigorous oversight of the implementation of these provisions. Committee oversight will include, where appropriate, further hearings and legislation.

The Committee looks forward to receipt of the remote-sensing report required by section 501(e) of the act and to being informed of the status of the rules and regulations required for the licensing of commercial remote-sensing activities.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

The Land Remote-Sensing Commercialization Act of 1984

Section 609 of that Act

AUTHORIZATION OF APPROPRIATIONS

Sec. 609. (a) There are authorized to be appropriated to the Secretary [$175,000,000 for fiscal year 1985] *$295,000,000 for fiscal years 1985 through 1989, of which not more than $125,000,000 shall be available for fiscal years 1985 and 1986,* for the purpose of carrying out the provisions of this Act. Such sums shall remain available until expended, but shall not become available until the time periods specified in sections 202(c) and 303(c) have expired.

(b) * * *

○